

United States Courts
Southern District of Texas
FILED

JUN 12 2019

David J. Bradley, Clerk of Court

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA,

v.

JEFFREY STERN

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§

CRIMINAL NO.

UNDER SEAL

19 CR 450

NOTICE OF RELATED CASES

The United States of America hereby gives notice to the Court that the above-captioned matter is related to another case currently pending in the Southern District of Texas.

In this case, *United States v. Jeffrey Stern*, defendant Jeffrey Stern is accused of filing a false 2012 tax return in violation of 26 U.S.C. § 7206(1). In the near future, the Government expects to present a superseding indictment to the Grand Jury charging additional counts and defendants. Stern is a Houston-based personal injury attorney. He is accused of engaging in a criminal scheme with the goal of evading taxes and hiding the fact that he obtains most of his personal injury cases by paying illegal kickbacks to case runners. Stern sought to disguise his illegal kickback payments to runners as legitimate referral fee payments to attorneys by routing the payments through middleman attorneys. In that way, Stern could deduct the illegal kickbacks on his tax returns as supposedly legitimate referral fees and business expenses.

Marcus Esquivel is one of the primary runners to whom Stern paid kickbacks. Stern improperly deducted kickbacks to Esquivel as legitimate business expenses. The Government charged Esquivel separately in *United States v. Esquivel*, H-17-CR-219 (J. Rosenthal). Esquivel pled guilty to tax charges. He is cooperating in the investigation and his sentencing has been reset multiple times to accommodate his cooperation. He would be a key witness in a trial of Stern.

In light of these related cases, the United States requests that this case be assigned to the Hon. Lee H. Rosenthal.

Respectfully submitted,

RYAN K. PATRICK
UNITED STATES ATTORNEY

A handwritten signature in black ink, appearing to read "Robert S. Johnson", written over a horizontal line.

Robert S. Johnson
Assistant U.S. Attorney